

Economic Update, February 13, 2026
Submitted by Michael Mount

Summary:

This week’s inflation and jobs reports were good, but ADP’s report on private employment was “lackluster.” Retail sales stayed about the same. In a worrying sign, household debt and delinquency rates are trending up, and there was a large drop in existing home sales last month. Federal October-January revenues outpaced outlays from federal fiscal year 2024-25 to federal fiscal year 2025-26.

Federal Government Indicators and Reports:

Congressional Budget Office

Monday, [Federal Budget](#): “The federal budget deficit totaled \$696 billion in the first four months of fiscal year 2026, the Congressional Budget Office estimates. That amount is \$143 billion less than the deficit recorded during the same period last fiscal year. Revenues rose by \$189 billion (or 12 percent), and outlays were \$45 billion (or 2 percent) higher.”

U.S. Census

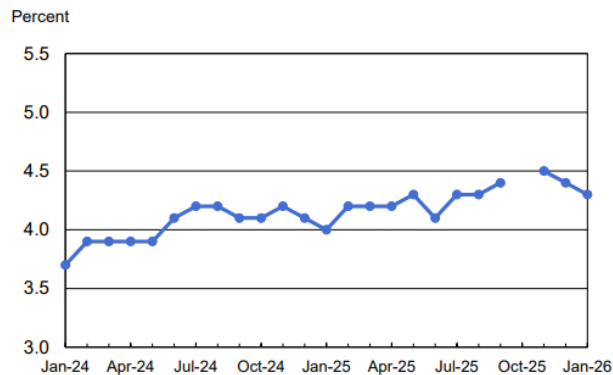
Tuesday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for December 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$735.0 billion, virtually unchanged from the previous month, and up 2.4 percent from December 2024.”

Tuesday, [Manufacturing and Trade](#): “The combined value of distributive trade sales and manufacturers’ shipments for November, adjusted for seasonal and trading day differences but not for price changes, was estimated at \$1,955.1 billion, up 0.6 percent from October 2025 and was up 3.5 percent from November 2024.”

Bureau of Labor Statistics

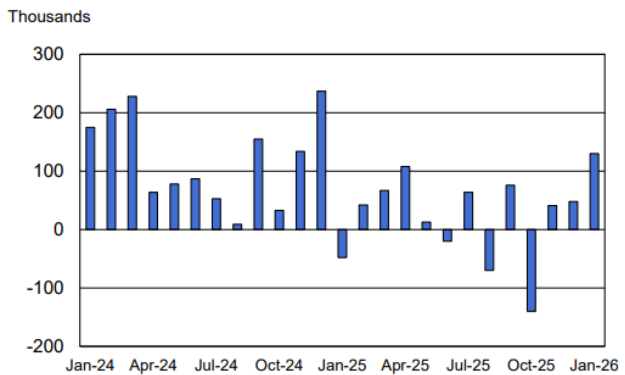
Wednesday, [Jobs Report](#): “Total nonfarm payroll employment rose by 130,000 in January, and the unemployment rate changed little at 4.3 percent, the U.S. Bureau of Labor Statistics reported today. Job gains occurred in health care, social assistance, and construction, while federal government and financial activities lost jobs.”

Chart 1. Unemployment rate, seasonally adjusted, January 2024 – January 2026



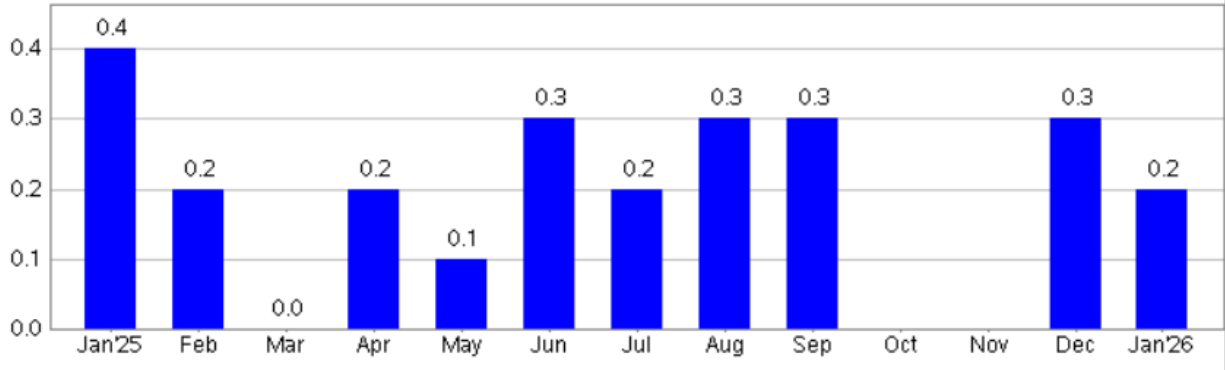
Note: Data for October 2025 were not collected due to the federal government shutdown.

Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, January 2024 – January 2026



Friday, [Consumer Price Index](#): “The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis in January. . . . Over the last 12 months, the all items index increased 2.4 percent before seasonal adjustment.”

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Jan. 2025 - Jan. 2026
Percent change



NOTE: The Oct and Nov 2025 data values are not available due to the 2025 lapse in appropriations.

Department of Labor

Thursday, [Initial Claims](#): “In the week ending February 7, the advance figure for seasonally adjusted initial claims was 227,000, a decrease of 5,000 from the previous week's revised level.” For Tennessee, there was a 1,032 increase from the previous week, from 2,958 to 3,990.

Economic Indicators and Confidence:

Federal Reserve

Monday, [Inflation Expectations](#): “Median inflation expectations in January declined by 0.3 percentage point to 3.1 percent at the one-year-ahead horizon and remained steady at the three-year and five-year-ahead horizons at 3.0 percent.”

Tuesday, [Household Debt](#): “[T]otal household debt increased by \$191 billion, 1.0 percent, in Q4 2025, to \$18.8 trillion. . . . ‘As household debt levels grow modestly, mortgage delinquencies continue to increase,’ said Wilbert van der Klaauw, economic research advisor at the New York Fed. . . . Aggregate delinquency worsened in Q4 2025, with 4.8 percent of outstanding debt in some stage of delinquency.”

National Federation of Independent Business

Tuesday, [Small Business Optimism](#): The index “fell 0.2 points in January to 99.3 and remained above its 52-year average of 98.”

ADP

Tuesday, [Private Employment](#): “Private employers added 22,000 jobs in January. In a lackluster month for hiring, health care was a standout, adding 74,000 jobs. Leading the slowdown was manufacturing, which has lost jobs every month since March 2024 professional and business services, and large employers.”

Mortgages and Housing Markets:

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 0.3 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$832,750 or less) remained unchanged at 6.21 percent . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 5.65 percent from 5.61 percent.”

National Association of Realtors

Thursday, [Existing Home Sales](#): “Existing-home sales fell 8.4 percent in January 2026. . . . Month-over-month and year-over-year sales decreased in all regions.” In the South region, there was a “9.0 percent decrease in sales month over month to an annual rate of 1.81 million, down 1.6 percent year over year.” The median price was \$351,200, “up 0.1 percent from January 2025.”